



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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April 28, 2006

TO INTERESTED PARTIES:

NOTICE OF PROPOSED REGULATORY ACTION  
BY THE  
STATE BOARD OF EQUALIZATION

PROPOSED AMENDMENT TO SALES AND USE TAX  
REGULATION 1591, MEDICINES AND MEDICAL DEVICES

On April 18, 2006, the State Board of Equalization held a public hearing on proposed amendments to Sales and Use Tax Regulation 1591, Medicines and Medical Devices. In response to public comment, the Board referred Regulation 1591, to the fifteen-day file, recommending that a change be made to the published version of 1591, as follows:

**Section 1591 (a)(9) and (b) as proposed to be amended:**

“(A) Except where taxable for all uses as provided in subdivision (c), any *product* fully implanted or injected in the human body, or any drug or any biologic, when such are approved by the U.S. Food and Drug Administration to diagnose, cure, mitigate, treat or prevent any disease, illness or medical condition regardless of ultimate use, or

(B) Any substance or preparation intended for use by external or internal application to the human body in the diagnosis, cure, mitigation, treatment or prevention of disease and which is commonly recognized as a substance or preparation intended for that use.

The term medicines also includes certain articles, devices, and appliances as described in subdivision (b) of this regulation.

**(b) “MEDICINES.”** In addition to the definition set forth in subdivision (a)(9) of this section,  
~~The~~the term “medicines” means and includes the following items:....”

Enclosed is a revised underscore and strikeout version of Regulation 1591.

In accordance with Government Code Section 11346.8(c), the revised version of this regulation is being placed in the rulemaking file and mailed today to interested parties who commented orally or in writing, or who asked to be informed of such revisions. If you wish to review the rulemaking file, it is available for your inspection at the State Board of Equalization, 450 N Street, Sacramento, CA. The regulation will be placed on the May 17, 2006 Chief Counsel Matters for the Board's consideration for approval.

Questions regarding the substance of the proposed regulation should be directed to Ms. Lisa Andrews (916) 322-5989, at 450 N Street, Sacramento, CA 95814, e-mail [Lisa.Andrews@boe.ca.gov](mailto:Lisa.Andrews@boe.ca.gov) or MIC:50, P.O. Box 942879, 450 N Street, Sacramento, CA 94279-0050.

Written comments for the Board's consideration, notices of intent to present testimony or witnesses at the meeting, and inquiries concerning the proposed administrative action should be directed to Diane Olson, Regulations Coordinator, telephone (916) 322-9569, fax (916) 324- 3984, e-mail [Diane.Olson@boe.ca.gov](mailto:Diane.Olson@boe.ca.gov) or Ms. Chelsea Carlock, Analyst, telephone (916) 322-3084, e-mail [Chelsea.Carlock@boe.ca.gov](mailto:Chelsea.Carlock@boe.ca.gov) or by mail at State Board of Equalization, Attn: Diane Olson or Chelsea Carlock, MIC:81, P.O. Box 942879, 450 N Street, Sacramento, CA 94279-0081.

Sincerely,

Gary Evans, Assistant Chief  
Board Proceedings Division

GE:dgo

Enclosure